

*Universal stop regulations***1 Ban of promotion of specified arrangements**

- (1) A person must not promote arrangements of a kind specified in regulations under this section.
- (2) The Commissioners may by regulations specify arrangements that in the reasonable opinion of the Commissioners—
 - (a) have been, or are likely to be, marketed as a means by which a person may seek a particular tax advantage, and
 - (b) are unlikely to provide the tax advantage.
- (3) Regulations under subsection (2) may specify arrangements by—
 - (a) describing—
 - (i) some or all of the steps to be taken by participants or other persons;
 - (ii) the tax advantage sought;
 - (iii) the marketing;
 - (b) providing examples or illustrations;
 - (c) such other means as the Commissioners consider appropriate.

2 Meaning of promotion

- (1) For the purposes of section 1, a person promotes arrangements if, in the course of a business or with a view to monetary gain, the person—
 - (a) communicates information with a view to encouraging another person to implement the arrangements or part of the arrangements;
 - (b) makes the arrangements available for implementation by another person;
 - (c) in circumstances where the arrangements have been implemented by another person, organises or manages any aspect of the arrangements;
 - (d) arranges (whether directly or indirectly) for another person or persons to take the steps above.
- (2) A person does not promote arrangements merely by—
 - (a) providing goods or services on commercial terms and in circumstances where the person does not know, and could not reasonably be expected to know, that the goods or services are being procured or used for the purposes of arrangements of a kind specified in regulations under section 1, or
 - (b) providing legally privileged advice or information.
- (3) For the purposes of subsection (2)(b), advice or information is legally privileged if a claim to legal professional privilege, or (in Scotland) to confidentiality of communications as between client and professional legal adviser, could be maintained in respect of it in legal proceedings.

3 Procedure

- (1) Regulations under section 1 are to be made by statutory instrument.
- (2) A statutory instrument containing regulations under section 1 must be laid before the House of Commons after being made.
- (3) Regulations contained in a statutory instrument laid before the House of Commons under subsection (2) cease to have effect at the end of the period of 28 days beginning on the day on which the instrument is made unless, during that period, the instrument is approved by a resolution of the House of Commons.
- (4) In calculating the period of 28 days, no account is to be taken of any whole days that fall within a period during which—
 - (a) Parliament is dissolved or prorogued, or
 - (b) the House of Commons is adjourned for more than four days.
- (5) If the regulations cease to have effect as a result of subsection (3), that does not—
 - (a) affect the validity of anything previously done under the regulations, or
 - (b) prevent the making of new regulations.

Sanctions

4 Civil penalties

- (1) A person is liable to a penalty if the person—
 - (a) promoted arrangements of a kind specified in regulations under section 1, and
 - (b) did so without a reasonable excuse.
- (2) The maximum penalty under this section is the sum of—
 - (a) £1,000,000, and
 - (b) £5,000 for each taxpayer who participated in the arrangements.
- (3) Before imposing a penalty under this section, an authorised officer of Revenue and Customs must—
 - (a) notify the person of the fact that the authorised officer considers subsection (1) to apply, and
 - (b) allow the person 30 days from the date of notification to make representations to HMRC.
- (4) In imposing a penalty under this section, an authorised officer of Revenue and Customs must have regard to—
 - (a) the number of taxpayers likely to have been involved, or targeted, in connection with the arrangements,
 - (b) the amount of tax that was likely at risk in connection with the arrangements,
 - (c) whether and to what extent the person cooperated with HMRC, and

- (d) whether the wrongdoing was repeated, or continued over an extended period.
- (5) A penalty imposed under this section is to be treated as a penalty imposed under the Taxes Acts and, accordingly, is a penalty to be determined under section 100(1) of the Taxes Management Act 1970.
- (6) A penalty under this section is to carry interest in accordance with section 101 of FA 2009.
- (7) A person is not liable to a penalty under this section in respect of anything in respect of which the person has been convicted of an offence.
- (8) In paragraph 5(6) of Schedule 13 to FA 2020 (joint and severable liability of company directors etc) after paragraph (f) insert—
 - “(g) section 4 of FA 2026 (promoters of tax avoidance schemes: universal stop regulations penalties).”

5 Criminal offence

- (1) A person who promotes arrangements of a kind specified in regulations under section 1 commits an offence.
- (2) It is a defence for a person charged with an offence under subsection (1) to show that they had a reasonable excuse.
- (3) A person who commits an offence under this section is liable—
 - (a) on summary conviction, to—
 - (i) in England and Wales, a fine, or
 - (ii) in Scotland or Northern Ireland, a fine not exceeding the statutory maximum, or
 - (b) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or both.

6 Criminal liability of senior managers

- (1) If an offence under section 5 is committed by a body corporate or a partnership and—
 - (a) is committed with the consent or connivance of a senior manager, or
 - (b) is attributable to the neglect of a senior manager,the senior manager commits the offence (as well as the body or partnership).
- (2) A “senior manager” means—
 - (a) in relation to a body corporate other than one whose affairs are managed by its members—
 - (i) a director, manager, secretary or other similar officer of the body, or a person purporting to act in such a capacity, or
 - (ii) a shadow director within the meaning given in section 251 of the Companies Act 2006;
 - (b) in relation to a limited liability partnership or other body corporate whose affairs are managed by its members—

- (i) a member exercising management functions, or purporting to do so, or
 - (ii) in the case of a limited liability partnership, a shadow member;
 - (c) in relation to a partnership, a partner or a person purporting to act in that capacity.
- (3) In this section, a “shadow member” means a person in accordance with whose directions or instructions the members of the limited liability partnership are accustomed to act, save that a person is not a shadow member by reason only of the fact that the members act on advice given by that person in a professional capacity.

7 Reasonable excuse

For the purposes of sections 4 and 5—

- (a) an insufficiency of funds is not a reasonable excuse unless attributable to events outside the person’s control,
- (b) if the person relies on any other person to do anything, that is not a reasonable excuse unless the first person took reasonable care to avoid the failure,
- (c) if the person had a reasonable excuse for the failure but the excuse has ceased, the person is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse ceased, and
- (d) reliance on legal advice is to be taken automatically not to constitute a reasonable excuse if either—
 - (i) the advice was not based on a full and accurate description of the facts, or
 - (ii) the conclusions in the advice that the person relied upon were unreasonable.

General

8 Interpretation

In this Chapter—

- “arrangements” includes any agreement, scheme, arrangement or understanding or any kind whether or not legally enforceable involving one or more transactions, and includes a proposal for arrangements;
- “authorised officer of Revenue and Customs” means an officer of Revenue and Customs who is, or is a member of a class of officers who are, authorised by the Commissioners for the purpose of this Chapter;
- “promotion” has the meaning given in section 2;
- “tax advantage” includes—
 - (a) relief or increased relief from tax,
 - (b) repayment or increased repayment from tax,
 - (c) avoidance or reduction of a charge to tax or an assessment to tax,

- (d) avoidance of a possible assessment to tax,
- (e) deferral of a payment of tax or advancement of a repayment of tax, and
- (f) avoidance of an obligation to deduct or account for tax.